

## **VERMONT STATE TEACHERS' RETIREMENT SYSTEM**

Meeting of the Board of Trustees – In-House Meeting

**November 10, 2015 – 9:00 a.m.**

### **Members present:**

JON HARRIS, Chairperson (Active No. 25669), term expiring– July 1, 2019  
JOSEPH MACKEY, Vice-Chairperson, VRTA representative, term expiring July 1, 2016  
LINDA DELIDUKA, VRTA Alternate representative, term expiring July 1, 2016  
JUSTIN NORRIS, Active Member Representative, term expiring July 1, 2017  
DANIEL RADDOCK, Financial Regulation Representative  
ELIZABETH PEARCE, VT State Treasurer

### **Members absent:**

DEBORA PRICE, representing Secretary of Agency of Education  
Active Member Alternate Representative – vacant

### **Also attending:**

Laurie Lanphear, Director of Retirement Operations  
Joshua McCormick, assistant to Kathie Kretzer  
Matt Considine, Director of Investments  
Katie Green – Investments Manager  
Nick Foss – Investments Analyst  
Mark DiStefano, Attorney General's Office  
Ram Verma – Director of Technology Services

The Chairperson, Jon Harris, called the November 10, 2015, meeting to order at 9:05 a.m., which was held in the Governor's Conference Room, fourth floor, 109 State Street, Montpelier, VT.

### **ITEM 1:      Approve the Minutes of:**

- **October 29, 2015**

**On motion by Ms. Pearce, seconded by Mr. Norris, the Board voted unanimously to approve the minutes of October 29, 2015, as submitted.**

### **ITEM 2:      Judith Palmeri with Attorney Richard Bowen – prior service**

Ms. Palmeri and Mr. Bowen discussed with the board Ms. Palmeri's prior service of 4.5 years that they believe should be credited to Ms. Palmeri's VSTRS retirement account.

**On motion by Ms. Pearce, seconded by Mr. Mackey, the Board unanimously voted by roll call to enter Executive Session at 10:00 a.m. pursuant to Title 1, § 313 for the purpose of consider information from legal counsel.**

The Board came out of executive session at 10:44 a.m.

**On Motion by Ms. Pearce, seconded by Mackey, the board voted unanimously to defer a decision on this subject to the next VSTRS in-house meeting on 2/19/16, for receipt of the following information directly from the school district:**

**For school year 1989-1990: Copies of all contracts or letters of agreement**

**For school year 1991-1992: Copies of all contracts or letters of agreement, copies of W-2, 1099, or other tax documents, a statement by the school business officer and/or payroll officer on how payments were made, copies of payroll time records, certification of the rate of pay, and any other teacher benefits for which the member was qualified for in that period of time.**

Mr. Bowen asked if he and Ms. Palmeri could receive copies of those documents. Mr. Harris confirmed this. Mr. Harris stated that they will receive a letter outlining all information being requested by the board.

Ms. Palmeri and Mr. Bowen left the meeting.

A 5 minute recess was taken.

**ITEM 3:      Contract for ICMA-RC**

**On Motion by Mr. Mackey, seconded by Mr. Norris, the board voted unanimously to Authorize Treasurer's Office to execute up to a 5-year extension of contract through 11/30/2020 for ICMA-RC Vantage Trust PLUS Fund (stable value) for SDIA, subject to successful contract negotiations.**

Mr. DiStefano left the meeting.

**ITEM 4:      Renewal of Michael Zimmerman/Disability Hearing Contract**

**On Motion by Mr. Mackey, seconded by Mr. Norris, the board voted unanimously to authorize the Treasurer's Office to extend the contract for Michael Zimmerman, Disability Hearing officer for 2 years.**

**ITEM 5:      Renewal of Delta Dental Contract**

Ms. Pearce stated that the Delta Dental benefit has no cost to the teachers' retirement plan as rates and administrative payments are made in full by members. Ms. Lanphear stated Delta Dental has agreed to not increase rates from the previous year. Ms. Lanphear stated that 51.4% of retired teachers are on the Delta Dental plans.

**On Motion by Mr. Norris, seconded by Mr. Mackey, the board unanimously voted to authorize the Treasurer's Office to initiate a one year waiver for Delta Dental.**

**ITEM 6: Empower Retirement Quarterly Report**

The latest quarterly reports were discussed by the board. Contributors and withdrawals were up from last quarter. Total Assets are down. Mr. Considine gave an overview of the last quarterly report. Ms. Green noted that since that last quarter, a new school district was added to the Empower system.

Ms. Deliduka stated that she would request to the NEA to have information/guidance on the 403b program in their publications.

**ITEM 7: Electronic Devices – Ipads and FTP Website**

Ram Verma joined the meeting at this time.

Mr. McCormick and Mr. Verma distributed Ipads to the board and demonstrated to the board how to use them and access the Good-Reader application and FTP sharing site. Mr. McCormick will begin loading all future non-confidential agenda items to the Good-Reader/FTP sharing site for the VSTRS board to access. Secure testing will be needed before Mr. McCormick can post confidential agenda items.

The Retirement Office will send out the HR policy to board members about using state issued computers for personal use. A policy concerning lost or stolen property is being constructed.

Ram Verma left the meeting.

**ITEM 8: Historical Funding Report Update**

Ms. Pearce presented to the board, a draft of the VSTRS Pension Funding and Demographics report. The board requested information on the average compensation by school districts.

**ITEM 9: VSERS Disability Process Update**

Mr. DiStefano rejoined the meeting at this time.

Ms. Pearce advised the board of the new VSERS disability review and income verification changes to the VSERS statute. She stated to the board that the income verification letters were mailed to VSERS disability retirees' last week. Mr. DiStefano reviewed the current VSTRS language as stated in statute §1938. After discussion, the board agreed to begin a process to propose statute changes to implement disability income verification. Mr. DiStefano stated he would make a draft document(s) for discussion at the next VSTRS In-House meeting on 2/9/16.

Mr. DiStefano left the meeting.  
A 10 minute recess was taken.

**ITEM 10:     VPAS Update**

Ms. Pearce stated to the board that the VPAS project is essentially finished. The warranty period will end on 11/30/15. The system will produce statements this year. Ms. Lanphear stated that the retirement office is planning on mailing them out in December. Ms. Pearce stated that the cost for the system is under budget.

**ITEM 11:     VEHI Update**

Ms. Lanphear gave to the board a memo from VEHI, outlining the new 7.9% proposal contribution health rate increase. The board agreed to discuss the VEHI budget and proposal changes as well as impacts of the excise tax at a future meeting.

**ITEM 12:     NCTR Conference Report**

Mr. Norris and Ms. Deliduka expressed thanks to the board for allowing them to go to the NCTR conference in October. Their highlights of the discussions at the conference included a large emphasis on cyber security, investments, an app that was developed for in New York for retiree's, and how other states publish information to the public. Mr. Norris stated that other states that have interactive online forms are seeing a decrease in errors as members are able to fix these errors themselves (example: address change). Ms. Deliduka stated that if the board was interested, it might be possible to have Diane Oakley from the National Institute of Retirement Security (NIRS) to come and give the VSTRS board a presentation.

**ITEM 13:     Adjournment**

**On motion by Mr. Mackey, seconded by Mr. Norris, the Board unanimously voted by roll call to adjourn at 1:04 p.m.**

**Next Meeting Date:**

The next scheduled VSTRS meeting is a conference call meeting, December 10th, at 3:30 p.m.

Respectfully submitted,

Kathie Kretzer  
Secretary to the Board